

CERVUS EQUIPMENT CORPORATION

PRESS RELEASE

Symbol: CVL (TSX-V)

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CERVUS EQUIPMENT CORPORATION (“CERVUS”) ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2010

Overall Performance

During the three month period ended June 30, 2010, revenue increased by \$22.2 million (\$9.4 million for our agricultural equipment segment and \$12.8 million for our construction and industrial equipment segment) to \$127.9 million compared to \$105.7 million for the same period of 2009, an increase of 21%. The primary reason for the increase in gross revenue was due to the January 2010 acquisition of A.R. Williams Materials Handling Ltd. (“ARW”) and the September 2009 purchase of Ranchers Supply Inc. (“Ranchers”) and was offset by a decrease in gross revenue from the Company’s disposal of two John Deere dealerships in Russell, Manitoba and Moosomin, Saskatchewan in exchange for a 20% partnership interest in Maple Farm Equipment Partnership (“Maple”) in January 2010. Our agricultural equipment segment remained strong and reported an increase in gross revenue of \$9.4 million (same store \$3.8 million or 4.7%) in the three month period ended June 30, 2010 when compared to 2009. Our construction and industrial equipment segment reported an increase in gross revenues of \$12.8 million (same store increased \$1.0 million or 6.3%).

For the three month period ended June 30, 2010, gross margin decreased by 1.7% to 17.3% when compared to 19.0% for the same period of 2009. The decrease in our gross margin was primarily a result of a decrease in our agricultural equipment segment which decreased to 14.8% for the three month period ended June 30, 2010, compared to 18.3% for the same period of 2009. This was offset by an increase in our gross margin for our construction and industrial equipment segment of 3.6% to 26.0% for the three month period ended June 30, 2010, compared to 22.4% for the same period of 2009. The primary reason for the increase in the construction and industrial equipment segment’s gross margin was due to a change in the sales mix as a result of the acquisition of ARW in January 2010.

Our combined selling, general and administrative expenses have also increased to 12.7% of revenue for the three month period ended June 30, 2010 when compared to 12.1% for the same period of 2009. The increase in selling, general and administrative expense as a percentage of revenue has primarily been caused by the acquisition of ARW in January 2010.

In addition, during the three month period ended June 30, 2010, the Company generated \$4.7 million or \$0.33 per basic share in cash flows from operating activities when compared to using \$1.7 million or \$0.12 per basic share for the same period in 2009. Cash flows from operating activities increased primarily as a result of changes in our non-cash working capital items which included an increase in cash generated by financing a greater portion of our equipment inventories purchased during the three month period ended June 30, 2010 when compared to 2009.

Net earnings for the three months ended June 30, 2010 decreased by \$2.3 million to \$5.1 million with the agricultural equipment segment contributing \$4.5 million, a decrease of \$2.7 million from 2009 and the construction and industrial segment contributing \$587 thousand, an increase of \$478 thousand from 2009. The primary reason for the decrease in net earnings is a result of decreased gross margins being experienced in both of our operating segments, primarily from equipment sales.

EBITDA (see “Non-GAAP Financial Measures”) decreased by \$1.2 million to \$7.5 million for the three month period ended June 30, 2010 when compared to \$8.7 million for the same period of 2009. The decrease is due primarily to a reduction in net earnings and offset by increased depreciation and amortization and an increase in interest expense due to increased floor plan amounts assumed in the ARW business acquisition.

Selected Quarterly Information

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	% change	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	% change
\$ thousands, except per unit amounts						
Revenues	127,927	105,701	21.0	195,128	172,040	13.4
Gross profit	22,190	20,055	10.6	37,462	33,185	12.9
Gross margin	17.3%	19.0%	(8.9)	19.2%	19.3%	(0.5)
Net earnings	5,062	7,330	(30.9)	4,235	9,005	(53.0)
Per unit - Basic	0.36	0.52	(30.8)	0.30	0.64	(53.1)
Per unit - Diluted	0.35	0.51	(31.4)	0.29	0.63	(54.0)
Cash provided by (used in) operating activities	4,730	(1,656)	n/a	1,846	(12,227)	n/a
Per unit – Basic	0.33	(0.12)	n/a	0.13	(0.87)	n/a
EBITDA ¹	7,539	8,702	(13.4)	8,804	11,773	(25.2)
EBITDA margin ¹	5.9%	8.2%	(28.0)	4.5%	6.8%	(33.8)
Per Unit – basic	0.53	0.62	(14.5)	0.62	0.84	(26.2)
Distributions to general partner	-	-	-	-	64	(100.0)
Dividends declared to shareholders	2,550	2,537	0.5	5,097	5,066	0.6
Per unit	0.18	0.18	-	0.36	0.36	-
Weighted average units outstanding						
Basic	14,162	14,087	0.5	14,156	14,063	0.7
Diluted	14,504	14,258	1.7	14,500	14,231	1.9
Actual units outstanding				14,164	14,105	0.4
Closing market price per unit				10.65	8.15	30.7
Total assets				260,209	160,024	62.6
Long-term liabilities				67,295	2,438	2660.3
Total liabilities				156,072	65,195	139.4
Unitholders' equity				104,137	94,830	9.8
Net book value per unit - diluted				7.18	6.66	7.8

Notes (1): The Non-GAAP measures identified in this Press Release do not have any standardized meaning prescribed by Canadian generally accepted accounting principles ("GAAP") and are therefore unlikely to be comparable to similar measures presented by other issuers. These non-GAAP measures are more fully defined and discussed, together with reconciliation to the most directly related GAAP measure in the MD&A of Cervus on the results of operations for the three month period ended June 30, 2010.

Copies of the Cervus' annual audited financial reports are available on the internet at www.sedar.com.

About Cervus

Cervus acquires and manages authorized agricultural, commercial and industrial equipment dealerships in Western Canada through 30 dealership locations in Alberta, Saskatchewan and Manitoba. The primary equipment brands represented by Cervus include John Deere agricultural equipment, Bobcat and JCB construction equipment, and Clark, Sellick, Nissan and

Doosan material handling equipment. The common shares of Cervus are listed on the TSX Venture Exchange and trade under the symbol "CVL".

For further information, please contact:

Peter Lacey - President & CEO

Telephone: (403) 567-0339

Fax: (403) 567-0392

Email: placey@cervuscorp.com

Randy Muth - Chief Financial Officer

Telephone: (403) 567-0339

Fax: (403) 567-0392

Email: rmuth@cervuscorp.com

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